



State of Connecticut HOUSE OF REPRESENTATIVES

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*Testimony by Representative Jason Perillo
Before the Government Administration and Elections Committee
On House Bill 5113
March 23, 2009*

Good morning Chairmen Slossberg, Chairman Spallone, Ranking Member, McLachlan Ranking Member Hetherington, and members of the Government Administration and Elections Committee. Thank you for allowing me the opportunity today to testify in support of HB 5113.

I support the committee bill as drafted but also recognize the importance of surety bonds. Given that bonds can protect municipalities, I offer to you an alternative to making all bonds optional. Rather than making bonds optional on all projects, it may be prudent simply to increase the threshold triggering the need for a bond. I offer the following language as a suggestion:

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 49-41 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2009):

(a) Each contract exceeding [one hundred thousand] one million dollars in amount for the construction, alteration or repair of any public building or public work of the state or a municipality shall, at the discretion of the state or municipality, include a provision that the person to perform the contract shall furnish to the state or municipality on or before the award date, a bond in the amount of the contract which shall be binding upon the award of the contract to that person, with a surety or sureties satisfactory to the officer awarding the contract, for the protection of persons supplying labor or materials in the prosecution of the work provided for in the contract for the use of each such person, provided no such bond shall be required to be furnished (1) in relation to any general bid in which the total estimated cost of labor and materials under the contract with respect to which such general bid is submitted is less than one hundred thousand dollars, (2) in relation to any sub-bid in which the total estimated cost of labor and materials under the contract with respect to which such sub-bid is submitted is less than one hundred thousand dollars, or (3) in relation to any general bid or sub-bid submitted by a consultant, as defined in section 4b-55. Any such bond furnished shall have as principal the name of the person awarded the contract.

Thank you for holding this hearing on HB 5113 and for considering my suggested alternative language.

Sincerely,

Rep. Jason Perillo
State Representative
113th District